

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 1841 - SB 1575**

March 10, 2011

**SUMMARY OF BILL:** Authorizes a utility district to electronically notify a user of impending service disconnections due to nonpayment.

**ESTIMATED FISCAL IMPACT:**

**Decrease Local Expenditures – \$23,300/Permissive**

**Assumptions:**

- According to the Tennessee Association of Utility Districts (TAUD), there are 200 utility districts in Tennessee. Approximately 90 percent (or 180) have online billing capabilities and could accommodate electronic notifications.
- According to TAUD, approximately 50 percent (or 90) of utility districts with online capabilities would electronically notify customers when accounts become delinquent.
- According to TAUD, the average monthly customer delinquency rate per utility is 10 percent.
- Based on a 2008 Nielson study of home internet access in the United States, 80 percent of Americans have a home computer and 92 percent of those have internet access.
- According to TAUD, the average number of customers per utility is approximately 8,000.
- Approximately 5,888  $[(8,000 \times 80\%) \times 92\%]$  households per utility will have internet access at home.
- Approximately 52,992  $[(5,888 \times 10\%) \times 90]$  customers will receive delinquency notices via email in lieu of standard mail each month resulting in a decrease to local expenditures of \$23,316  $(52,992 \times \$0.44)$ .

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "James W. White".

James W. White, Executive Director

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